

Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 01027 020958 Z

45

ACTION EB-11

INFO OCT-01 NEA-05 ADP-00 CIAE-00 INR-09 NSAE-00 RSC-01

L-03 EUR-06 RSR-01 /037 W

----- 081636

R 011518 Z APR 73

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

INFO SECSTATE WASHDC 6309

AMEMBASSY BEIRUT

UNCLAS KUWAIT 1027

BEIRUT FOR RTDO

E. O. 11652: N/ A

TAGS: BGEN EGEN KU

SUBJ: NEW CONTRACTING PROCEDURE FOR MAJOR PUBLIC WORKS PROJECTS

REF: A) KUWAIT 727; B) KUWAIT 714; C) KUWAIT A-177, DEC. 17, 1972

1. DURING DISCUSSION PROBLEMS GOK FACING BECAUSE OF UNEXPECTEDLY HIGH BIDS ON MAJOR CONSTRUCTION PROJECTS, UNDERSECRETARY MINISTRY PUBLIC WORKS TOLD EMBOFF NEW PROCEDURE WILL BE FOLLOWED BEGINNING WITH MUBARAK AL- KABIR HOSPITAL, TV/ RADIO COMPLEX AND AIRPORT TERMINAL. HE SAID THAT INSTEAD OF LUMP SUM BID TENDERS WOULD BE BASED ON QUOTE REMEASUREMENT SYSTEM UNQUOTE.

2. EMBOFF UNFAMILIAR WITH TERM, BUT UNDERSECRETARY SAID SYSTEM WELL KNOWN IN UK AND EUROPE. APPARENTLY UNDER REMEASUREMENT SYSTEM, INSTITUTION ORDERING CONSTRUCTION WORK, IN THIS CASE GOK, MUST DEFINE IN DETAIL ALL UNDERLYING PHYSICAL CONDITIONS AND TECHNICAL REQUIREMENTS. IT MUST BEAR ADDED COSTS RESULTING FROM VARIATIONS FROM SPECIFIED CONDITIONS. GOK HOPES BY SHIFTING RISK OF UNFORESEEN COSTS AWAY FROM COMPANIES, BIDS ON MAJOR CONSTRUCTION PROJECTS WILL BE LOWER AND WITHIN BUDGETARY LIMITATIONS.

3. UNDERSECRETARY SAID REMEASUREMENT SYSTEM WAS IMPROVEMENT OVER LUMP- SUM APPROACH ALTHOUGH IT TOO HAD WEAKNESSES FROM GOK VIEW- UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KUWAIT 01027 020958 Z

POINT. HE SAID KEY TO SUCCESSFUL USE OF REMEASUREMENT WAS AVAILABILITY OF SPECIAL SURVEYORS WHO WOULD DEFINE AND DETERMINE DETAILED CONDITIONS. HE SAID THIS GROUP FOUND PRIMARILY IN U. K.

4. COMMENT: EMBASSY WOULD APPRECIATE ANY INFORMATION USDOC CAN PROVIDE RE REMEASUREMENT SYSTEM SO THAT WE MAY PROPERLY BRIEF BUSINESSMEN WHO MAY ASK ABOUT IT. BASED ON UNDERSECRETARY'S REMARKS IT SEEMS LIKELY BRITISH EXPERTS WILL BE BROUGHT IN TO ASSIST GOK AND THIS LIKELY GIVE SPECIAL ADVANTAGE TO BRITISH FIRMS. FROM GOK POINT OF VIEW SITUATION HAS BECOME UNTENABLE AS THREE IMPORTANT PROJECTS ARE STALLED OVER ACTUAL OR EXPECTED PROBLEM OF HIGH BIDS. GOK HOPES RELATIVELY RADICAL CHANGE WILL OVERCOME WHAT HAS BECOME EMBARRASING PROBLEM.
MCCLELLAND

UNCLASSIFIED

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KUWAIT01027
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730431/aaaahjqj.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 73 KUWAIT 727, 73 KUWAIT 714, 73 KUWAIT A-177
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 22 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22-Oct-2001 by averetam>; APPROVED <09 FEB 2002 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971117
Subject: NEW CONTRACTING PROCEDURE FOR MAJOR PUBLICATION
TAGS: BGEN, EGEN, KU, BGEN, EGEN
To: BEIRUT
EB
SECSTATE WASHDC
WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005